

**EXHIBIT E**

**CLINE AGREEMENT**

October 26, 2010

Jason Cline  
VP, Planning and Analysis  
Borders Group, Inc.  
100 Phoenix Dr  
Ann Arbor, MI 48105

Dear Jason:

This will confirm our agreement regarding your employment with the arrival of Scott Henry, EVP, Chief Financial Officer.

**Reporting Relationships**

- You will report to Scott and maintain your current direct reports.

**Compensation:**

- Your bi-weekly salary will be increased to \$8653.85 which annualized is \$225,000, in recognition of the responsibilities you will be asked to assume.
- You will receive a special bonus of \$75,000 as long as you remain in your position until at least February 18, 2011
- You will receive an additional stock option grant of 10,000 shares

Jason, thank you for your support. You made the transition seamless.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Edwards", with a stylized flourish at the end.

Mike Edwards  
CEO

cc: Scott Henry